Agriculture and Rural Development

BUSINESS PLAN 2011-14

ACCOUNTABILITY STATEMENT

This business plan was prepared under my direction, taking into consideration the government's policy decisions as of February 2, 2011.

original signed by

Jack Hayden, Minister
February 2, 2011

THE MINISTRY

The ministry consists of the Department of Agriculture and Rural Development, Agriculture Financial Services Corporation (AFSC) and Alberta Livestock and Meat Agency Ltd. The ministry is also responsible for the Office of the Farmers' Advocate, Irrigation Council, Agricultural Products Marketing Council, and Alberta Grains Council.

Agriculture and Rural Development's mission is to provide the frameworks and services necessary for Alberta's agriculture and food sector to excel, to inspire public confidence in the quality and safety of food and to lead the collaboration that enables resilient rural communities. Its core businesses are:

- a market-driven, environmentally responsible industry;
- food safety, plant health and animal health and welfare; and
- rural development.

This business plan is aligned with the government's five goals and supports the government's core businesses as set out in the *Government of Alberta Strategic Plan*.

GOALS, PRIORITY INITIATIVES AND PERFORMANCE MEASURES

As a result of the ministry's review of its goals, environment, opportunities and challenges, a number of priority initiatives have been identified.

Goal One: A competitive, self-reliant industry

Priority Initiatives:

1.1 Support implementation of priority initiatives outlined in the Alberta Livestock and Meat Strategy.

1.2 Advance trade and market access through policy development, advocacy, networking and relationship building.

1.3 Assist agricultural entrepreneurs to identify and realize new opportunities in value-added agricultural products and markets.

1.4 Deliver extension programs and services, research-based information and innovative business tools to encourage industry adoption of technology and best practices.

1.5 Continue implementation of Growing Forward and, in partnership with other governments, develop a Growing Forward 2 framework.

Performance Measures	Last Actual 2009-10	Target 2011-12	Target 2012-13	Target 2013-14
1.a Number of value-added products developed and successfully introduced into market with assistance from Agriculture and Rural Development	71	63	64	65
1.b Research and development investment by collaborators leveraged through ministry resources ($ million)	11.1	7.0	7.5	8.0
1.c Percentage of eligible seeded acres for major crop categories insured under Production Insurance/AgriInsurance:				
• Annual crops	71%	68%	68%	69%
• Perennial crops	24%	23%	24%	24%

Goal Two: Environmental stewardship

Priority Initiatives:

2.1 In collaboration with all levels of government, develop integrated environmental policy to define and meet climate change, land use, air and water objectives.

2.2 Facilitate adoption of better management practices that protect or enhance the environment through systems and competitive business models that document, verify and recognize excellence.

2.3 Work with irrigation districts, irrigators and government to meet water conservation, efficiency and productivity targets in support of a diversified irrigation industry.

Performance Measure	Last Actual 2009-10	Target 2011-12	Target 2012-13	Target 2013-14
2.a Average percentage of improved environmentally sustainable agriculture practices adopted by producers[1]	58%	59%	n/a	59%

Note:

1 Survey is completed every two years. The next survey will be completed in 2011-12.

Goal Three: Farmed animal health and welfare, plant health, and safe food products

Priority Initiatives:

3.1 Contribute to the development and implementation of national and provincial food safety and farmed animal health and welfare strategies and initiatives.

3.2 Ensure that programs, policies, standards, legislation and regulations align to support plant health, farmed animal health and welfare and safe food production.

3.3 Develop the infrastructure and preparedness that enable government and industry to prevent, detect, respond to and recover from invasive crop pest species and foreign or emerging farmed animal disease incursions.

3.4 Develop and deploy traceability systems for selected livestock species and crops.

3.5 Work collaboratively with government departments to prepare for and respond to all provincial hazards, including those that would adversely impact food security in Alberta.

Performance Measures	Last Actual 2009-10	Target 2011-12	Target 2012-13	Target 2013-14
3.a Percentage of licensed Alberta meat processing facilities that have added a preventative system to their existing food safety system[1]	n/a	77%	83%	89%
3.b Number of food processing facilities participating in the Alberta HACCP[2] Advantage Program	50	54	57	61

Notes:

1 The result for 2009-10 was determined using a different criterion than that used to establish the forecasted targets for 2011-12 through 2013-14. As such, the forecasted targets are not directly comparable to the 2009-10 result.

2 HACCP is an acronym which means Hazard Analysis Critical Control Point. HACCP is a system which identifies, evaluates, and controls hazards which are significant for food safety.

Goal Four: A vibrant, resilient and sustainable rural Alberta

Priority Initiatives:

4.1 Advance and support enhanced community capacity, adaptation, economic opportunities, innovation, connectivity and rural stewardship in collaboration with other ministries and rural stakeholders.

4.2 Expand rural Alberta's leadership base by working with youth and rural stakeholders and partnering with educational institutions to facilitate innovative learning and skill development opportunities.

4.3 Strengthen rural utility and community infrastructure.

4.4 Advance key lending products and services to support rural business.

Performance Measures	Last Actual 2009-10	Target 2011-12	Target 2012-13	Target 2013-14
4.a Total investment leveraged in rural businesses facilitated through AFSC lending services ($million)	565	410	420	430
4.b Percentage of ministry-supported, agricultural-related community activities that focus on leadership development	31%	31%	30%	30%
4.c Percentage of rural youth and adults participating in ministry-supported programs that report effective learning from those programs[1]	n/a	90%	90%	90%

Note:

1 The result for 2009-10 was determined using different criteria than that used for 2011-12 through 2013-14. The sampling process has been changed to a rotating sampling method, a procedure in which a proportion of the initial survey sample is dropped from each subsequent evaluation wave and replaced with a new sample of equal size.

STATEMENT OF OPERATIONS
Consolidated on a Fiscal Plan Basis

(thousands of dollars)	Comparable					
	2009-10 Actual	2010-11 Budget	2010-11 Forecast	**2011-12 Estimate**	2012-13 Target	2013-14 Target
REVENUE						
Transfers from Government of Canada	376,008	356,799	294,511	**287,015**	341,981	355,504
Investment Income	99,013	102,870	101,376	**115,585**	138,396	162,402
Premiums, Fees and Licences	236,050	253,421	273,140	**313,921**	328,587	346,924
Other Revenue	27,127	12,825	15,617	**11,894**	9,480	8,604
Total Revenue	738,198	725,915	684,644	**728,415**	818,444	873,434
EXPENSE						
Program						
Ministry Support Services	15,716	17,316	16,759	**16,070**	15,823	16,517
Agriculture Income Support	374,901	293,398	181,327	**152,239**	246,615	248,419
Lending	32,791	29,554	30,428	**31,977**	33,354	34,604
Insurance	643,017	417,868	453,849	**474,037**	494,867	522,253
Policy and Environment	64,830	71,119	67,108	**74,510**	70,486	72,375
Rural and Regulatory Services	30,247	27,695	37,429	**17,629**	17,629	18,081
Industry Development and Food Safety	130,911	139,935	145,358	**134,693**	130,045	130,237
Livestock and Meat Strategy	48,930	47,728	42,859	**40,737**	38,928	43,192
Farm Fuel Distribution Allowance	33,173	32,500	32,500	**32,500**	32,500	32,500
Total Program Expense	1,374,516	1,077,113	1,007,617	**974,392**	1,080,247	1,118,178
Debt Servicing						
Agriculture Financial Services Corporation	51,489	64,562	54,070	**68,030**	80,186	93,598
Total Expense	1,426,005	1,141,675	1,061,687	**1,042,422**	1,160,433	1,211,776
Gain (Loss) on Disposal of Capital Assets	(17)	-	-	-	-	-
Net Operating Result	(687,824)	(415,760)	(377,043)	**(314,007)**	(341,989)	(338,342)

CAPITAL INVESTMENT BY PROGRAM

Ministry Support Services	1,060	100	224	**1,000**	1,000	100
Agriculture Income Support	2,540	2,731	856	**2,843**	2,879	2,843
Lending	2,738	2,779	7,030	**2,982**	3,019	2,981
Insurance	5,988	6,895	3,740	**4,651**	4,046	3,995
Policy and Environment	293	200	700	**200**	200	200
Industry Development and Food Safety	1,586	996	1,922	**996**	996	996
Livestock and Meat Strategy	730	-	6	-	-	-
Total	14,935	13,701	14,478	**12,672**	12,140	11,115